

6 Dec 57

"VENUS"

Report on "Peter's" Meeting with ROSTAS and LUKACS
at Brussels, 24 November 1957

After finding the message at the letterdrop on 19 Nov. 1957, Peter went to Brussels and on 24 Nov. at 2000 hours stood in front of the Theatre Flamand holding a newspaper in his hand.

He was immediately approached by a presentable-looking young man who said to him, "Good evening, Uncle Michel", to which Peter replied, "Greetings, Monsieur." The contact then proceeded, saying that he had recognized Peter and added that a colleague from headquarters was waiting for them.

After shaking hands, the three men went to a restaurant on Boulevard E. Jacquain (at the corner of rue du Cirque).

In the restaurant the two men introduced themselves, respectively, as ROSTAS, (40-45) years old, hard face, small Hitler-type moustache, does not speak French, acted like the superior of his companion, who was called LUKACS, about 25 years old, blond, no moustache, very friendly type, speaks French very well, knows Paris and the Hungarians there.

(Note: The men are: Karoly ROSTAS, born in Budapest in 1923, Secretary of the Ministry of Foreign Affairs in Budapest; and Jozsef LUKACS, born in Budapest in 1924, diplomatic official.)

ROSTAS asked Peter if it were a long time since he had come to the meeting place (Theatre Flamand) and Peter replied only, "The 18th, after finding a rather vague note at the letterdrop."

LUKACS said he saw Peter in Paris during the national festival of 15 March which he attended two years ago. ROSTAS said he had read all of Peter's reports and asked Peter if he were satisfied with the letterdrop from the technical point of view. Peter explained that now with the park bare, too much could be seen - it was no longer as in summer when he would not want to pass for a "swindler" should the

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contents of the drop disappear before he could get it.

ROSTAS replied that they were well aware of that but that the drop will be gradually abolished "because we also prefer personal contacts". When will you see the Chief (ZAKO)?" asked ROSTAS. Peter answered, "I have been called to Munich on 10 and 11 December for the limited congress." According to Mr. ALMASSY, it was supposed to have been held in September but is definitely scheduled (now). I have received the invitation."

ROSTAS showed that he was satisfied and asked what the order of the day was. Peter replied: (a) the new statute; (b) relations with the organization of the Freedom Fighters. ROSTAS immediately analyzed the activity of the congress. Before influencing the entire group, the chief will begin with his closest collaborators; he was also afraid that very few people would take the trouble to go to a large congress, or that there wasn't enough money or time for a large congress. Peter said that in his opinion it was the lack of time.

ROSTAS agreed and thought that the Chief wanted to make a spectacular reconciliation with Bela KIRALY. Peter did not think so and said that this was also the impression of DARNOY, the Chief's right-hand man.

ROSTAS held to his opinion: the Chief and Bela KIRALY will become reconciled because that's the wish of the Americans, but General Lajos VERESS is the most intelligent one. He follows events but does not compromise himself. He is waiting for the time when all the others will be in trouble. He has the advantage of having been arrested at the time (in 1956) and of being freed only during the counter-revolution. Peter thought he was too old. ROSTAS asked, "Where and how does he live?" Peter said that he lived in Germany with relatives. "Does he receive help from the U.S.A.?" "I have no idea", replied Peter.

ROSTAS then asked whether or not the MHBK received regular help from the U.S.A. or from another power. "No". Peter said. "I am certain there is no regular aid.

perhaps occasional, but I'm not sure of that". According to ROSTAS, it is possible that the MHBK is now receiving American aid. "I do not think so," Peter said.

He said, "Yes, all the subsidies are now and will be reconsidered, for example: Free Europe abolished the National Committee (in New York) but the majority of the former members still make the same money individually. Thus, the Pentagon is presently supporting Bela KIRALY, but that won't last. Behind the scenes there is a big struggle to forestall this subsidy. It may be that the MHBK is receiving it (now) but later it will certainly be General VERESS. Opportunity in the emigration belongs to him. The Americans will let KIRALY fall."

Then ROSTAS said, "We came to discuss the subject of our country's enemies."

"What enemies?"

"The 'scoundrels' who are sent to Hungary to spy, and the even worse 'scoundrels' - those who send them."

"Are there many at present?"

ROSTAS then began an account prepared in advance: "Yes, there are many. The miserable scum who left Hungary after the counter-revolution are capable of anything, they are being taught in camps. At first, we in Hungary thought that these camps were organized to form an emigration army. That was a mistake; these camps exist, but spies and saboteurs are trained in them."

At Peter's intervention, ROSTAS said that these agents do not enter Hungary illegally, but simply present themselves at the legations as repenting emigres who wish to be repatriated.

On another question, he again said that Hungarian industry is not an aim, the West knew, through the emigres, the Hungarian industry and that hasn't changed. There are several spies charged with political missions but most of them have military assignments, and especially concerning the location of Soviet troops.

"Our headquarters is informed of this and we know of several cases. Some spies are arrested, others come of their own volition to tell us about their mission before they execute it; but obviously, we should know them before they begin."

Peter said he understood, but what a difficult task it was. ROSTAS continued, saying that he was certain that the Chief handled similar tasks. He was certain that others were also occupied with them. What country is paying them - adding: "The money comes from the U.S.A. but is often delivered through the intermediary of other countries. We should find out what this channel is. Where are these training camps; how are the recruits obtained, their exact work, who are those being trained, who are the instructors. How do they select the recruits. A detailed report must be made of all this."

Peter said that there was no training in Belgium.

According to ROSTAS, that was not exactly known. "In any event, if you are asked your opinion on an Hungarian, give your opinion sincerely but inform us as soon as possible because it could be a recruit on whom you must give advice."

ROSTAS asked: "What do you know about training in Spain?" "Nothing new," Peter said, "all I have learned has been given to you."

"We are very grateful to you for it, we agreed with your opinion and think, as you do, that there is not much training going on in Spain. Nevertheless, this training could serve to form cadres and, in this case, around ten instructors turned out per year are sufficient. Remain alert to all that you hear concerning Barcelona, St. Sebastian, Ceuta, Tangier, which are the nerve centers.

ROSTAS asked Peter how long he will stay in Munich. "Three or four days," he replied. "Stay at least a week and take your wife along - such a job requires time for observation. We realize that you might not be able to answer all the questions, but try to obtain as much information as possible. Don't worry about money in Munich"

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Peter said he was happy that they realized the difficulties and said that these were duties in addition to those executed up to now. "Yes, we know that; certainly, political tasks are as important, but at present it's military assignments that are pressing."

ROSTAS continued: "Are you familiar with the GEHLEN organization in Germany?"

"Yes," answered Peter, "Through ~~it~~ what the newspapers say."

"Well, does this organization send agents too? Do you know Lt. Col. KOLLENYI?"

"I met him in Hungary, but not in the emigration. I heard he is living in Salzburg."

"He has already left that area," continued ROSTAS, "he works in the GEHLEN organization but he is not the one who directs the Hungarian section."

"Who heads it?" asked Peter.

According to ROSTAS, that is exactly what must be found out. There are two Germans, but who know Hungarian well and lived in Hungary for a long time, before and during the war. Both are superiors of KOLLENYI "but we do not know their names or exact positions in the GEHLEN organization."

Peter stated that these assignments differed a great deal from his former assignments and asked if (though them) he were being contacted by the same service as before (i.e. AVH).

"Yes," rep lied ROSTAS, "you can be certain it's the same organization, the same men, the same files, office, etc."

"And the same name," added Peter.

"The name is not of great importance," said ROSTAS. At the moment, there is no name. And you must understand that since the agents are particularly interested in the Soviet Army, headquarters now collaborates more closely with Soviet experts."

Peter said he understood very well and supposed that the Soviet experts were

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very important."

"Yes, they are very strong," replied ROSTAS.

Peter went on to say that what struck him were the changes happening in the work - he had always been in contact with someone from the legation.

"That is finished," ROSTAS broke in, and repeated it several times. But even though he have to resort to the letterdrop sometimes, personal contact will be maintained. If it is not I, it will be my colleague; but whoever it is you can always trust him. He has been processed at headquarters on the certain changes, and henceforth at the ministerial echelon there will be only one man informed of the results. But I do not guarantee that the results - the information - will always be reproduced as such. If possible, transmit some documents. Reports are interesting but documents are authentic. Especially to the person placed at the ministerial level. If the document can be considered publishable, it should be so stated in the report. Without your advice, no document will be published."

LUKACS then posed several questions:

L: What do you know about Mr. RAK?

P: He is a geometer in Morocco.

L: Does he work for the MHBK?

P: No, I don't think so. About a year and a half ago he spent his vacation in Europe and it is said that he returned very disillusioned.

L: His ex-wife?

P: She is remarried, to a Frenchman.

L: Have you seen Mr. BETHLEN?

P: No, he was on leave in Spain.

LUKACS corrected him, saying he had taken leave in Morocco and Tangiers.

P: It's possible, but I was told, in Spain.

L: Have you seen Mr. BREZNAY?

P: No, the last time years ago, but he was at this festival in Paris where you saw me a year and a half ago.

LUKACS knows Messrs. ALMASY, BETHLEN and BREZNAY by sight.

Peter asked for news of FUREDI.

"He is fine and sends you greetings, as well as KOVACS."

After praising the reconstruction in the country, he raised the question of the next meeting.

LUKACS suggested the 27th or 28th, or sometime before Munich.

ROSTAS was not in favor of it. "It's useless, but immediately after Munich. On the 20th you should put your report in the letterdrop and go to check it on the 23rd. Then you will find instructions for the next meeting, which will take place around 20 January, perhaps with me, perhaps with LUKACS, or a third person."

Before parting, ROSTAS (in a propagandizing tone - sic) said again that headquarters appreciated his informing, thanked him and expected him to do his utmost.

LUKACS gave 10,000 francs to Peter and the latter took leave of his two contacts around 2300 hours.

ROSTAS drew Peter's attention to the fact that, being in the Intelligence Service, he must continue to work toward weakening the unity of the emigration. Much was to be said for avoiding reconciliations, unless the Chief favored them. The point must be reached where deserving men return to Hungary and the rest remain isolated, opposing each other, and absorbed as quickly as possible by their adopted country.

"Stay away from the new organizations. Act reserved and do not engage in too much activity. Sometimes an 'appearance' and a speech. That's all. The new organizations will fall - it is not necessary to fall with them."

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